Property bought by NRIs

3359. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether Non-Resident Indians can buy agricultural land in the country;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the number of NRIs who have bought property in India and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) It is the policy of Government to permit only Resident Indians to buy agricultural land in the country

(d) Does not arise since under the prevailing Exchange Control Regulations of RBI, NRIs are not allowed to buy agricultural landed property.

Public issue of Essar Oil Limited

3360. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the recently concluded public issue of Essar Oil Limited for raising funds for setting up of Refinery in the Private sector;

(b) whether it is a fact that Chanderias have invested millions of dollars in the equity share holding of the Company;

(c) whether the antecedents of Chanderias have been established by the Financial Institutions before committing funds for the project;

(d) whether it is a fact that Promoters of Essar Oil Limited have floated two companies namely, Essar Gulf and Essar Projects for procurement of imported and indigenous materials for the projects respectively;

(e) whether it is a fact that these two newly floated Companies have no expertise in the respective fields and yet they have been paid advance of 15 per cent from out of funds actually belonging to ICICI, IDBI and IFCI;

(f) whether it is also fact, that these funds have ultimately found way as the promoters equity in Essar Oil; and

(g) whether Government would initiate a thorough probe in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) According to the information provided in the prospectus, M/s. Prime Finance Company Limited, a Company belonging to the Chanderias of Comcraft Group, Switzerland alongwith other Non-resident Indian investors have contributed Rs. 261.99 crores out of the total promoters' contribution of Rs. 600 Crores.

(c) As part of the normal appraisal procedures the financial institutions had verified the credentials of the Chanderias.

(d) As disclosed in the prospectus, M/s. Essar Gulf Fze is a company based in the U.A.E., incorporated in 1993, and has entered into a contract with M/s. Essar Oil Limited for supply of imported equipment. M/s. Essar Projects Limited, incorporated in 1990, has entered into a contract with M/s. Essar Oil Limited for supply of indigenous equipment.